

FISCAL NOTE

Bill #: HB0237

Title: Revise Board of Investments loan programs

Primary

Sponsor: Emily Swanson

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The Board of Investments will incur no additional operating or personnel costs.
2. The Board of Investments would loan funds resulting from the enactment of HB237 at rates comparable to other In-State Investment loans so there would be no loss of interest income to the state general fund.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

If HB237 results in more loans to local governments for infrastructure, local government expenditures would increase commensurate with any increase in loans. However, the debt incurred by the local government receiving a loan under the infrastructure program is not a debt of the local government. The local government assigns its lease with the business occupying the improved property to the Board of Investments as collateral and the board may also take the infrastructure as collateral.

To the extent that the new business on the improved property employs additional employees and pays property taxes, local government revenues will increase.

LONG-RANGE IMPACTS:

If HB237 increases the number of infrastructure loans, resulting in increased economic activity, both local governments and the state will be positively impacted.